



Agenda Date: 9/17/18  
Agenda Item: 2J

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
**44 South Clinton Avenue, 3<sup>rd</sup> Floor, Suite 314**  
**Post Office Box 350**  
**Trenton, New Jersey 08625-0350**  
**www.nj.gov/bpu/**

ENERGY

IN THE MATTER OF THE PETITION OF PUBLIC	)	ORDER APPROVING SALE
SERVICE ELECTRIC AND GAS COMPANY FOR	)	OF REAL PROPERTY
APPROVAL OF THE SALE AND CONVEYANCE OF	)	
REAL PROPERTY LOCATED ON 465 STATE ROUTE	)	
94, FREDON, NEW JERSEY WITH A MUNICIPAL TAX	)	
MAP DESIGNATION OF BLOCK 1801, LOT 2.01, IN	)	
THE TOWNSHIP OF FREDON, COUNTY OF SUSSEX	)	DOCKET NO. EM18060660

**Parties of Record:**

**Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel**  
**Ana J. Murteira, Esq., Public Service Electric and Gas Company**

**BY THE BOARD:<sup>1</sup>**

On June 22, 2018, Public Service Electric and Gas Company ("PSE&G" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board"), pursuant to N.J.A.C. 14:1-5.6, seeking approval of an Agreement of Sale and Conveyance of Real Estate ("Contract") of real property ("Property"), located in Fredon, Sussex County, New Jersey, to Karin Taylor ("Purchaser") for the sum of \$116,600. Additionally, the Petition sought a waiver of the requirement to advertise this property pursuant to N.J.A.C. 14:1-5.6(i)7.

The Property was purchased in December 2008 by PSE&G for access to construct the Susquehanna-Roseland project ("Project"). The Company represents the Property is no longer used and useful for utility purposes. It was determined that PSE&G needed to purchase the Property to accommodate the relocation of the new transmission line from above the house. By moving the line to the present location, the Project was able to eliminate one tower structure, thus saving about \$1 million in Project costs. The agreed upon purchase and sale price was \$550,000. The book value of the Property is currently \$580,356.48.

<sup>1</sup> Commissioner Robert M. Gordon recused himself due to a potential conflict of interest and as such took no part in the discussion or deliberation of this matter.

According to the petition, the Property is in severe need of repair or demolition. The most recent appraisal valued the Property at \$90,000. Additionally, PSE&G claims the sale of the Property will alleviate future costs and other liabilities associated with owning the Property. Given the carrying costs and upkeep of the Property, PSE&G determined the best course of action was to sell the Property.

The petition indicates the Property was listed on the Multiple Listing Service ("MLS") through Coldwell Banker Residential Brokerage in November of 2016. On April 20, 2018, PSE&G signed the Contract with the Purchaser for \$116,600. The Contract will not hinder the Company's ability to provide safe, adequate, and reliable service as PSE&G will reserve an approximate 25,843 square foot right-of-way ("ROW") easement on the Property for the purpose of accessing its ROW facilities for future maintenance and performing upgrades to the Project ROW.

The Company further requested the Board grant a waiver of the requirement to advertise this property pursuant to N.J.A.C. 14:1-5.6(j)7 due to the following:

- a. The waiver shall not adversely affect the public interest because PSE&G is requesting to sell a residential property;
- b. The Property has never been used or useful for utility purposes;
- c. There is no prospective use of the Property for utility purposes, since it currently is occupied as a residential home and is located in a residential zoning district;
- d. There is no relationship between the Purchaser and PSE&G other than prospective buyer and seller;
- e. The sale of the Property shall not affect the ability to render safe, adequate, and proper service;
- f. The selling price represents the fair market value of the Property to be sold based on a current independent appraisal;
- g. Given its unique character as a residential single family home, in order to fully market the Property and acquire the most value, the Property was listed through a MLS listing with a residential broker; and
- h. Advertising and bidding will likely not result in a higher purchase price.

By correspondence dated September 5, 2018, the New Jersey Division of Rate Counsel ("Rate Counsel") submitted comments on the petition. In its comments, Rate Counsel stated that it does not object to the sale of the Property or to the waiver for advertisement. However, Rate Counsel recommended that the Board review the revenue and other issues related to the purchase and sale of the Property in a PSE&G base rate case or in another appropriate proceeding. Rate Counsel further reserved all rights to review all related costs of and revenues from the purchase and sale of the Property in appropriate proceeding(s) for prudence and a determination that they are properly recoverable from and credited to PSE&G ratepayers.

Accordingly, Rate Counsel requested that any Order approving the petition require PSE&G to meet certain conditions, which are incorporated herein.

### **DISCUSSION AND FINDINGS**

Recognizing the unique situation of the Property and the Company's desire to sell the Property, the Board **HEREBY APPROVES** the Company's request for a waiver of the requirement to advertise this property pursuant to N.J.A.C. 14:1-5.6(i)7.

After careful review and consideration of the petition and attachments submitted in this matter, the Board **HEREBY FINDS** that the sale of the Property by PSE&G to the Purchaser will not adversely affect the public interest and will not affect the Company's ability to render safe, adequate and reliable service. Accordingly, the Board **HEREBY APPROVES** the Contract for sale of the Property to the Buyer in the amount of \$116,600, with the net gain being credited to the Project.

The approval granted hereinabove shall be subject to the following provisions:

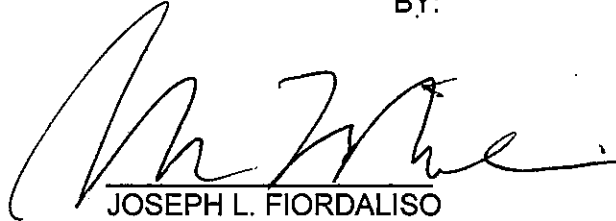
1. This Order is based upon the specific and particular facts of this transaction and shall not have precedential value in future land transactions that may come before the Board and shall not be relied on as such.
2. PSE&G shall notify the Board and Rate Counsel if it anticipates any material changes in the contract for sale of the Property.
3. The Board and Rate Counsel retain all rights to review all costs and proceeds related to the purchase of and sale of the Property in PSE&G's next base rate case or other appropriate proceeding.
4. This Order shall not affect nor in any way limit the exercise of the authority of the Board or of this State, in any future petition or in any proceedings with respect to rates, franchises, service, financing, accounting, capitalization, depreciation, or in any other matters affecting PSE&G.
5. This Order shall not be construed as directly or indirectly fixing for any purposes whatsoever any value of any tangible or intangible assets or liabilities now owned or hereafter to be owned by the Company.
6. Within thirty (30) days of the date of the closing on this transaction, the Company shall file with the Board proof of the closing, net transaction costs, and final journal entries along with a detailed calculation, including selling expenses, of the sale.

The Company's costs remain subject to audit by the Board. This Decision and Order shall not preclude nor prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.


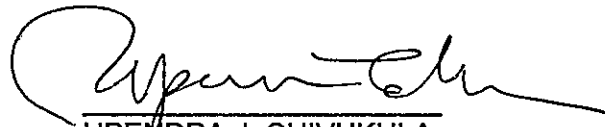
This Order shall be effective on September 27, 2018.

DATED: 9/17/18

BOARD OF PUBLIC UTILITIES  
BY:

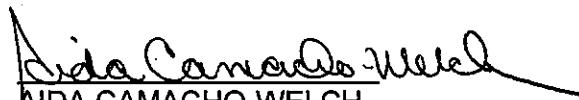


JOSEPH L. FIORDALISO  
PRESIDENT

  
MARY-ANNA HOLDEN  
COMMISSIONER  
DIANNE SOLOMON  
COMMISSIONER

UPENDRA J. CHIVUKULA  
COMMISSIONER

ATTEST:

  
AIDA CAMACHO-WELCH  
SECRETARY

I HEREBY CERTIFY that the within  
document is a true copy of the original  
in the files of the Board of Public Utilities.

IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY  
FOR APPROVAL OF THE SALE AND CONVEYANCE OF REAL PROPERTY LOCATED ON  
465 STATE ROUTE 94, FREDON, NEW JERSEY WITH A MUNICIPAL TAX MAP  
DESIGNATION OF BLOCK 1801, LOT 2.01, IN THE TOWNSHIP OF FREDDON, COUNTY OF  
DOCKET NO. EM18060660

SERVICE LIST

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